of a corporation, *held,* that an issue by a corporation of bonus stock to induce the purchase of bonds, may be restrained at the suit of a stock-holder, although the capital stock of the corporation was so impaired that the market value of bonds and bonus was covered by payment of the par value of the bonds alone.

The common law rule that such a sale was valid in the case of a "going concern" when made bona fide for the purpose of continuing business, *Handley v. Stutz,* 139 U. S. 417, was not followed because of the express provision in the N. J. Stock Corp. Law (P. L. 1896, p. 293) which had been construed in *Donald v. American Ice Co.,* 62 N. J. Eq. 729. In *Memphis Ry. v. Dow,* 120 U. S. 287, the court held that the object of a similar statute was "to protect the stockholders from spoilation and to guard the public against securities that were absolutely worthless" and allowed a bonus stock issue. See also *Peoria etc. Ry. v. Thompson,* 103 Ill. 187, 201; *Stein v. Haward,* 65 Cal. 616, the latter being directly in point. For a general criticism of similar statutes see *Elliott, Priv. Corp.,* sec. 342.

PRIVATE CORPORATIONS—MANAGEMENT—RESIGNATION OF DIRECTORS.—ZELTNER V. ZELTNER BREWING CO. 66 N. E. 810 (N. Y.)—All the officers of a corporation resigned for the purpose of enabling one of them to apply for a receiver on the ground that the corporation was without officers to preserve its assets. *Held,* that such proceedings were unlawful as tending to encourage mismanagement of the corporation and to defeat or delay creditors.

Courts have generally placed no limitation on the right of directors of corporations to resign. *Blake v. Wheeler,* 18 Hun 496. Apparently the only authority on the question of resignation of all the directors in a body is *Smith v. Danzig,* 64 How. Prac. 320, where it was held that all the directors may resign when the affairs of the corporation are in a very bad condition in order that a receiver may be appointed and an equal distribution of the assets among creditors be secured. The present decision which seems inconsistent with *Smith v. Danzig, supra,* is supported by 1 *Moraw., Priv. Corp.* 563.

PUBLIC POLICY—CONDITION IN DEED—GRAIN ELEVATOR.—WAKEFIELD V. VAN TASSELL, 66 N. E. 830. (ILL.).—A condition in a deed of a small tract of land in a village, provided that no grain elevator should ever be erected thereon. *Held,* not to be void as against public policy, although it prohibited the building of a public warehouse.

The condition in question was urged to be contrary to public policy on the ground that it is for the interest of the public to encourage the building of public grain warehouses, as quasi-public agencies. Upon the ground that they are such agencies, agreements by railroad companies not to build a station within a certain distance of property granted to them, have been held to be against public policy. *R. R. Co. v. Ryan,* 11 Kan. 602; *Williamson v. R. R. Co.,* 53 Iowa 126. There seems, however, to be a clear distinction between the two classes of cases. The mere fact that a business is of public concern is not a sufficient reason for overthrowing reasonable restrictions upon its exercise within a limited area. *Chappel v. Brockway,* 21 Wend. 157.